



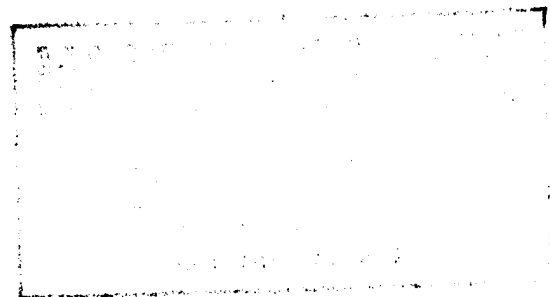
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Status of the Western European Union Initiative (U)

An Intelligence Assessment



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*EUR 84-10200
October 1984*

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Status of the Western European Union Initiative

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An Intelligence Assessment

This report was prepared by [] of the
Office of European Analysis, with a contribution from
the Office of Soviet Analysis. Comments and
queries are welcome and may be addressed to the
Chief, European Issues Division, []

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*EUR 84-10200
October 1984*

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**Status
of the Western European
Union Initiative**

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Key Judgments

*Information available
as of 30 September 1984
was used in this report.*

Several of the West European Allies have recently shown renewed interest in coordinating their defense policies. Since early this year, France, West Germany, the United Kingdom, Italy, and the Benelux states have been focusing on ways to revitalize the Western European Union (WEU), making it a major vehicle for defense cooperation. They have agreed to announce their plans when WEU defense and foreign ministers meet on 26-27 October to commemorate the 30th anniversary of the organization's creation. In our view, these Allies, in looking at the WEU, are motivated primarily by:

- Their belief, in the wake of the INF controversy, that they need to be more assertive in the Alliance on foreign and defense policy issues and to take a stance more independent of the United States.
- Their inability to achieve a consensus on formalizing discussion of security issues in the larger EC forum.
- Their desire to encourage joint weapons projects to boost their economies and offset the large US trade advantage in this area, and to counter what they perceive as a growing US advantage over Western Europe in the development of emerging technologies.

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WEU members are considering proposals—most of which have come from the French—that would give the organization's Council, Assembly, and subordinate agencies broader authority to address defense cooperation and to coordinate views on security issues. The proposals also focus on using the WEU to coordinate weapons development and production among the member countries, and possibly to monitor compliance with arms control agreements. The June meeting of the WEU Council agreed that the West European Allies' posture within NATO should be strengthened, that their special concerns required additional consultations on security issues in a West European forum, and that the WEU was the only "appropriate" mechanism for this purpose.

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Despite a common desire for enhanced defense cooperation, reporting from the NATO capitals shows that WEU members differ in their enthusiasm for strengthening the organization:

- Even Paris, the initiator of the effort to beef up the WEU, has grown more hesitant in recent months, largely because of concern that Bonn may expect greater cooperation than Paris can offer.

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- West Germany, Belgium, and Luxembourg remain the most supportive of the French initiative. Bonn appears to hope that a stronger WEU will bolster its relationship with Paris, draw France closer to NATO militarily, boost intra-European arms cooperation, give West Germany access to new markets for armaments, and enhance the Kohl government's domestic prestige. Bonn also wants to reassure the West European Allies that it remains closely tied to the West despite its campaign to improve political and economic ties with East Germany. Brussels already has proposed regular meetings of WEU member ambassadors to NATO and has suggested transforming the WEU's Agency for the Control of Armaments into an arms control forum similar to NATO's Special Consultative Group.
- Italy, initially enthusiastic about the French initiative, has grown wary as it has become increasingly concerned that Paris wants to use the WEU to pursue its own political and economic aims. Rome also is concerned over alienating the United States and further heightening Soviet-West European tensions.
- The United Kingdom and the Netherlands continue to have strong reservations. Although London appears receptive to greater informal consultations, the Thatcher government does not want to undercut the Independent European Program Group (IEPG) as the prime forum for arms cooperation, and would like to strengthen the role of NATO's Eurogroup as a defense policy forum. The British also are reluctant to jeopardize their unique cooperation with the United States on defense issues. The Netherlands appears the most skeptical, perhaps largely out of reluctance to add to doubts about its reliability as a NATO member raised by its waffling on INF deployment. The Hague has been stressing that discussion on arms cooperation and security issues should remain within NATO and also wants to strengthen the IEPG, which it currently chairs.
- These national concerns are compounded by generally felt apprehension that publicity about European aspirations for the WEU could backfire by fueling sentiment in the United States for scaling back its commitment to NATO, and by giving the impression that they are attempting, in effect, to create a "two speed" Europe within the European Community.

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Despite these concerns, the WEU members probably will agree at the October meeting to increased consultations on joint arms production within the WEU, more frequent meetings of the Council at the ministerial and ambassadorial levels, and possibly the creation of an informal group of defense experts to support these discussions. Any regular, high-level European discussions outside of NATO, even if informal, could give the Allies more collective weight in NATO deliberations on major policy issues.

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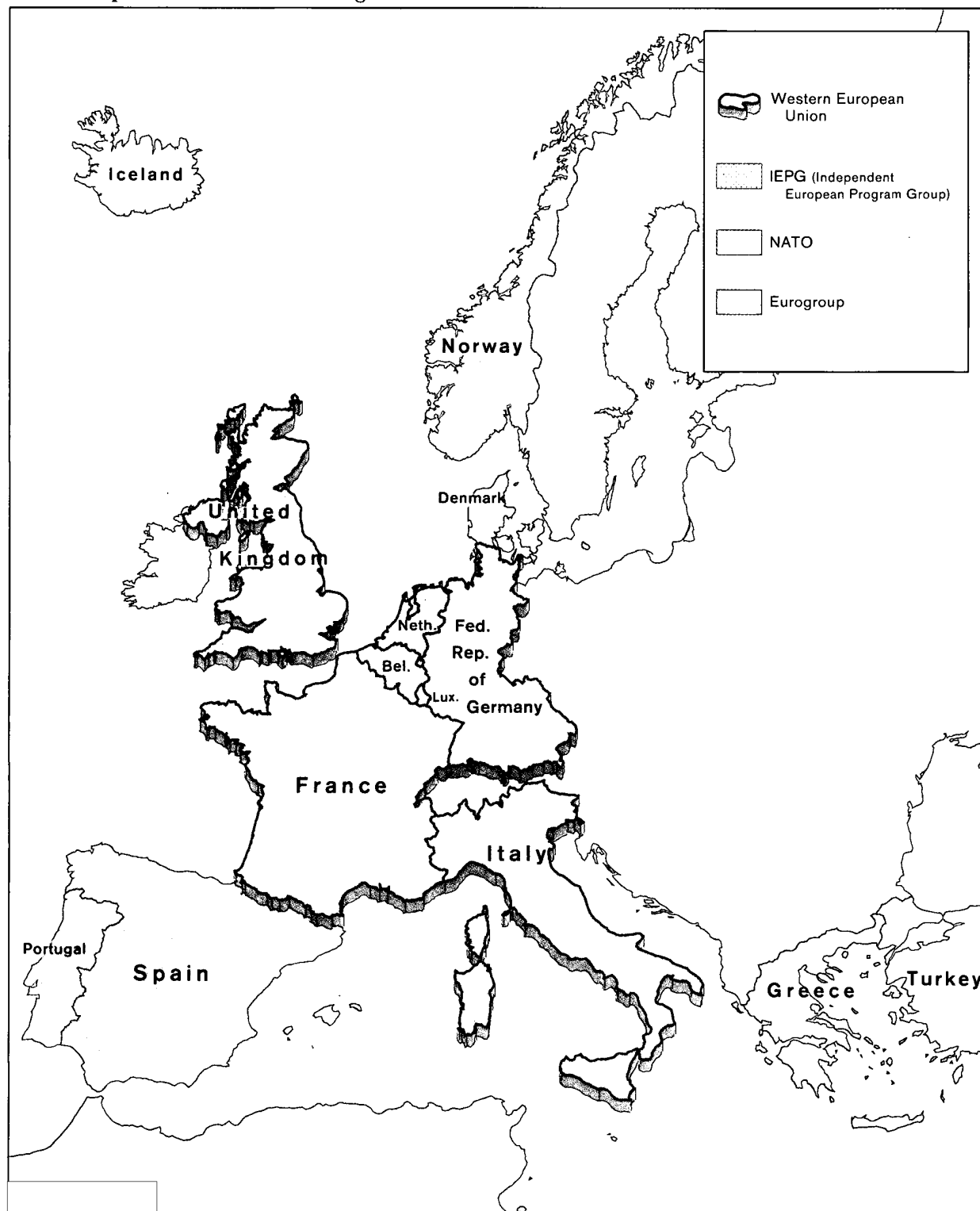
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Figure 1
West European Defense-Related Organizations



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Status of the Western European Union Initiative

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Introduction

Defense and foreign ministers of the countries belonging to the Western European Union (WEU) will meet in Rome on 26-27 October to mark the organization's 30th anniversary and to announce plans for revitalizing the WEU. This is the latest step in a series of developments by which the West Europeans, with varying degrees of enthusiasm, have sought since the late 1970s to increase coordination of security policy and cooperation in the development, production, and acquisition of arms and military equipment. Since early this year there has been a resurgence in West European interest due to several related factors:

- The INF deployment controversy led to criticism within the basing countries of their subservience to US defense policy makers, which they are anxious to dispel. In addition, the West Germans, in particular, but most other Allies as well, believe that the United States has not adequately considered West European concerns on foreign and defense policy issues and that the time has come for greater West European assertiveness.
- Many Allies question the US commitment to reducing East-West tension. West German and Dutch officials especially have stressed that the United States does not appreciate the need of West European countries to cultivate political and economic ties with the USSR and Eastern Europe.
- Particularly the French, but also the other WEU members, are worried that the recent debate in the US Congress on the Nunn Amendment portends future cuts in the US commitment to NATO. They view greater West European cooperation as a means to offset this eventuality.
- The continued concern that Western Europe is falling behind the United States and Japan in developing and exploiting new technologies is causing governments to focus on what they see as the failure of the United States to meet its commitment to the "two-way street" in defense procurement. They have long voiced displeasure with the large US advantage in intra-Alliance arms trade.

As the interest of the West Europeans in increased defense cooperation has grown, the Allies have become disenchanted with the possibility that the European Community (EC) political cooperation process could play a key role in this area. West Germany, Belgium, and Italy, formerly the chief proponents of eventual defense coordination within the EC, now appear to view this forum as inappropriate for the purpose, since the French, Danes, Irish, and British remain opposed to EC discussion of security issues. Moreover, on other foreign policy issues, EC members have been having less and less success reconciling competing interests in attempting to reach common political positions. Beyond this, the EC is preoccupied with financial problems and the potential membership of Spain and Portugal. Indeed, the further enlargement of the Community makes it, for most members, an even less effective forum for defense cooperation (see table).

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On the economic aspects of defense cooperation, the West Europeans primarily have utilized the Independent European Program Group (IEPG) to coordinate joint arms production (see the inset). The IEPG is currently the principal mechanism for promoting armaments cooperation among the European Allies and for fostering closer and more balanced West European relations with the United States and Canada in this area. The effectiveness of the IEPG, however, has been undermined in part because of its large membership—it is almost twice the size of the WEU. This has made it even more difficult to achieve the compromises that would be necessary to overcome the competition, fragmentation, and duplication of national arms industries. Moreover, the IEPG has a mandate only to deal with industrial production, not general security policy.

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The only other existing vehicle for West European defense cooperation is NATO's Eurogroup, which consists of all the West European members of NATO except France and Iceland. An informal association of

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IEPG

The Independent European Program Group (IEPG) was formed in the mid-1970s. Participants include all members of NATO's Eurogroup—Belgium, Denmark, West Germany, Greece, Italy, Spain, Luxembourg, the Netherlands, Norway, Portugal, Turkey, and the United Kingdom—plus France. Chairmanship of the IEPG rotates among the members biennially. The Netherlands currently holds this position until 1986.

The IEPG is independent of NATO and is tasked with:

- *Making the best use of defense funds in a period of budget austerity.*
- *Preserving the West European arms industry and defense technology.*
- *Using all possibilities for standardization and interoperability of defense weapons and equipment.*
- *Strengthening the West European voice in transatlantic dialogue with the United States and Canada.* (S NF)

The IEPG holds annual meetings of national armaments directors. Between these conferences, high-level defense officials regularly meet to direct the technical management of three panels:

- *An armaments planning staff analyzes equipment-procurement schedules of the member countries to identify undertakings where cooperation seems possible.*
- *A second staff addresses individual project groups, such as antitank guided weapons and air-to-air-missile weapons.*
- *An armaments-industry panel develops principles and guidelines for armaments cooperation.*

defense ministers, Eurogroup was founded in 1968 to give West European members of NATO a forum to discuss all aspects of defense policy. However, since the Eurogroup is an Alliance organization in which France does not participate, most members do not view it as an effective forum for coordinating views and policies on security issues.

European Membership in NATO, WEU, EC, IEPG, and Eurogroup

	WEU	EC	NATO	IEPG	Euro-group
United Kingdom	X	X	X	X	X
France	X	X	X	X	
West Germany	X	X	X	X	X
Belgium	X	X	X	X	X
The Netherlands	X	X	X	X	X
Luxembourg	X	X	X	X	X
Italy	X	X	X	X	X
Denmark		X	X	X	X
Greece		X	X	X	X
Ireland		X			
Spain		¹	X	X	X
Portugal		¹	X	X	X
Norway			X	X	X
Turkey			X	X	X
Iceland			X		
Canada			X		
United States			X		

¹ Future members.

The French Initiative

Perceiving the strength of the sentiments brewing in Western Europe, France late last year dusted off an idea it had promoted periodically since the 1960s: revitalizing the Western European Union (WEU) as a forum for defense cooperation (see the inset). Paris has long been partial to the WEU because it offers certain advantages:

- Much of its institutional apparatus is headquartered in Paris.
- It is not part of NATO but is the only organization authorized by treaty to address West European defense matters in cooperation with NATO.

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The Western European Union

The Western European Union was established when the signatories of the 1948 Brussels Treaty for collective self-defense—the United Kingdom, France, and the Benelux states—revised the treaty to include Italy and West Germany. In accordance with the Paris Agreements of 23 October 1954, the Brussels Treaty Organization was renamed and constituted as the Western European Union. The WEU treaty prohibits West Germany from manufacturing nuclear, chemical, or biological weapons, and the WEU members, until last June, monitored West German production of conventional bombers and certain types of missiles. (WEU members at that time agreed to end the remaining restrictions on conventional weapons.) The original treaty also limited the West German Bundeswehr to no more than 500,000 men and provided for the WEU to determine the amounts of major weapons and ammunition that may be stockpiled in West Germany. These and other more objectionable WEU restrictions, such as the limits on submarine construction, have been rescinded [redacted]

Although moribund for most of its existence, the WEU was used by its members as a forum to discuss foreign policies from 1967 to 1973—before the United Kingdom joined the EC and during a time when France would not address issues outside the Community's competence in the EC. The WEU ceased to be the focus of political cooperation when the United Kingdom joined the EC in 1973 and EC members decided to hold such discussions informally [redacted]

The monitoring of West German weapons production has gradually become a nonissue as most of the restrictions have been dropped. The primary function

of the WEU today ostensibly is the coordination of defense policy and equipment. The WEU consists of:

- *The Council (of foreign ministers or ambassadors), based in London, which formulates policy and issues directives to WEU agencies in "cooperation" with NATO. The Council usually meets twice yearly at the foreign ministers level. The ambassadors meet aperiodically.*
- *The Agency for the Control of Armaments, based in Paris, which monitors West German production of armaments and stocks of armaments by random checks, visits, and inspections.*
- *The Standing Armaments Committee, based in Paris, which is charged with fostering close cooperation between members on arms development and production.*
- *The Secretariat, based in London, which implements Council directives.*
- *The Assembly, which meets twice a year in Paris, and consists of delegates of the member countries to the Council of Europe's Parliamentary Assembly. It debates defense policy and adopts recommendations to send to the Council, national parliaments, member governments, and other international organizations. It is restricted to discussing the "military" aspects of West European defense matters (see figure 2). [redacted]*

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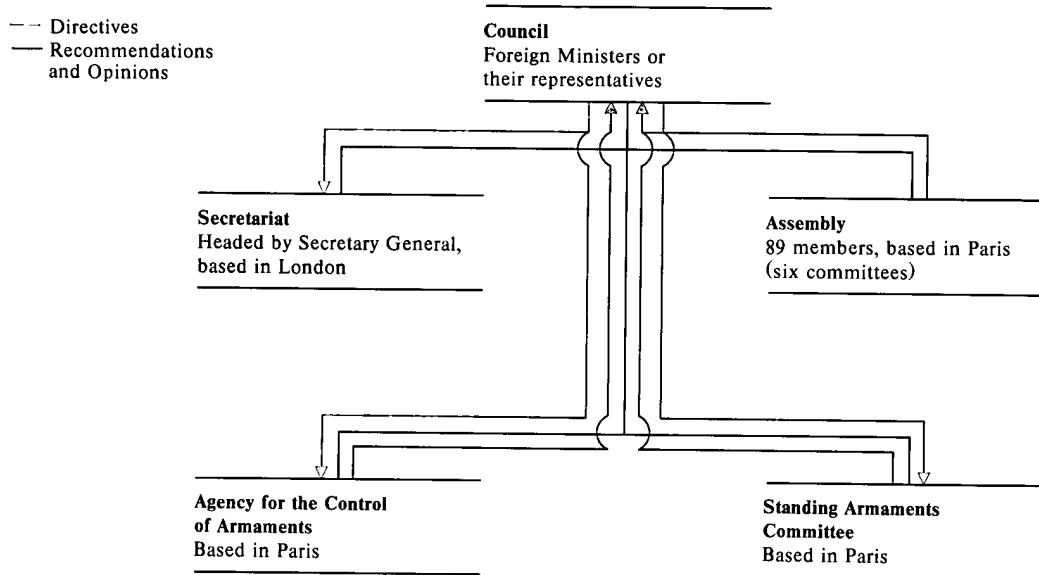
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- Its treaty provides for automatic, mutual help in the event of enemy attack, a provision important to France because it underscores Franco-German defense ties.
 - It is more easily influenced by France, since, unlike NATO, the United States is not a member and, unlike the EC, the WEU has no supranational apparatus.
 - It is authorized by treaty to deal with out-of-area issues.
 - It allows Paris an additional opportunity to influence West German technical military development through discussions on defense cooperation.

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Figure 2
Structure of the Western European Union



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- It could, if strengthened, help offset disadvantages to France of not being part of NATO's Defense Planning Committee.
- Its membership is limited to the six original EC members and the United Kingdom, and thus it comes close to being the "exclusive club" that France has traditionally favored for defense cooperation.
- Similarly, since the WEU excludes the West European nations with the least developed defense industries, France believes it would be an appropriate forum for discussing increased cooperation in arms production.

of the WEU be revamped. Specifically, Paris proposed that the Agency for Control of Armaments become a forum for discussions of security issues, especially arms control, and that it monitor compliance with agreements on arms limitations and on confidence- and security-building measures eventually adopted by the Conference on Disarmament in Europe. According to the US Embassy in Paris, the French had in mind a West European agency patterned after the US Arms Control and Disarmament Agency, which would also collect and process intelligence from a West European military reconnaissance satellite. In addition, the French suggested that the Standing Armaments Committee become a major coordinating mechanism for West European arms

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When it launched its initiative early this year, France circulated a memorandum among the other WEU members suggesting that the institutional framework

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production along the lines of the IEPG and that the Council and Assembly be given broader authority to address security issues. The French called for a meeting of the WEU Council at the ministerial level to discuss these proposals. [redacted]

We believe the French push to revamp the WEU is part of a broader effort by the Mitterrand government to promote greater West European cooperation—with a strong French leadership role—in all defense areas, but with particular emphasis on strengthening Franco-German ties. In our view, the WEU initiative, in essence, reflects a consensus—within both the government and the broader non-Communist political elite—that French security interests dictate increased West European cooperation on strategy and defense policy issues as well as on weapons development and production. [redacted]

French officials both publicly and privately continue to express concern over what they perceive to be a “neutralist” drift in West Germany in which the pro-NATO assumptions that have oriented West German security policy since the 1950s are increasingly being questioned, particularly by the young. Overall, in view of the Soviet military buildup in recent years, the French fear that a weakened West Germany—and one not firmly committed to the defense of Western Europe—would leave them dangerously exposed to Soviet pressures. We believe Paris had in mind counteracting this trend when it supported the removal of most WEU restrictions on West German conventional forces and defense industries, except for nuclear, chemical, and biological weapons. [redacted]

Moreover, there are important economic motives behind the WEU initiative. [redacted]

[redacted] the Mitterrand government hopes to use the WEU to boost production agreements designed to benefit French firms. It views joint projects with West Germany as especially beneficial because they would strengthen Franco-German ties. To further their defense production objectives, the French apparently hope to exploit growing West European dissatisfaction over the perceived US unwillingness to procure defense equipment produced in Europe and growing awareness that West European defense industries are substantially inferior to those of the United States. [redacted]

Cautious Campaign

Despite Paris's strong motivation in pushing the WEU initiative, several factors have caused the French to temper their campaign in recent months and downplay their aims for the WEU. Paris's more cautious approach appears to be related to:

- Apprehension that West Germany expects greater defense cooperation than Paris can accept. We believe that two of Bonn's ultimate aims are to obtain specific French commitments to share French nuclear information and to aid in the forward defense of West Germany in the event of a Warsaw Pact attack. [redacted]
- A desire to avoid fueling any concerns of its partners over French motives and, particularly, to mitigate British and Dutch skepticism about revitalizing the WEU.
- Concern that the United States may view a revitalized WEU as a threat to NATO solidarity. According to the US Mission at NATO and the Embassy in Paris, WEU members—particularly France—believe that, despite positive signals from the United States, Washington probably views the revitalization effort negatively. French officials continue to stress that France sees a strengthened WEU as both a “consciousness raising” forum on defense issues and a mechanism to increase its members' economic contributions and political commitment to the Alliance.
- Concern that France may be perceived publicly as undermining West European political and economic integration in the EC context. French officials have recently stressed President Mitterrand's efforts to resolve the EC's longstanding budgetary problems to allow EC members to focus on furthering their unity. In our view, Mitterrand is genuinely committed to exploring new and existing avenues toward

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this end, and there are indications that he may believe too great a focus on the WEU could divert attention from his broader goals to increase political and economic cooperation within the European Community. For example, he has proposed that EC members establish a secretariat in Brussels to handle EC political cooperation more effectively. []

The WEU Council Ministerial

Despite considerable interest in the WEU initiative earlier this year, the WEU Council ministerial on 12 June, chaired by the French, was a low-profile affair. Reporting in West European media was modest, and the participants chose not to highlight publicly the outcome of the discussions. []

According to various WEU-member officials, the ministers agreed that NATO should remain the forum for West European decisions on strategy and coordination of overall security policy. However, they were in accord with West German Foreign Minister Genscher's view that the West European Allies' posture within NATO should be strengthened and that their special concerns required additional consultations on security issues in a West European forum. They also acknowledged that the WEU was the only "appropriate" mechanism. According to British officials, most of the ministers also agreed that the remaining controls on West German production and stockpiling of conventional weapons should be abolished when WEU defense and foreign ministers meet jointly on 26-27 October to commemorate the 30th anniversary of the organization's creation. (WEU members went ahead and publicly rescinded these limits in a press release a few weeks after the meeting.) Finally, the ministers agreed to hold more frequent meetings of the WEU Council at the ministerial level in the tradition of EC political cooperation meetings. []

Beyond this, the ministers did not adopt specific steps to revitalize the WEU, but discussed the original French ideas and additional suggestions offered by other members. According to British officials, French Foreign Minister Cheysson and British Foreign Secretary Howe agreed that any enhanced role for the Standing Armaments Committee in the coordination of armaments production would not affect the IEPG.

On the future role of the Agency for the Control of Armaments, the ministers debated, but did not resolve, the question of the agency's potential role as a forum for discussions on arms control issues. Rather, according to Belgian officials, both Cheysson and Genscher suggested that an informal arrangement be established for such discussions. Belgian Foreign Minister Tindemans supported creation of a NATO-style body of permanent representatives with the rank of ambassador to fill in for the ministers at routine Council meetings to give the organization "more stature." []

The ministers tasked a committee of experts to investigate possible steps the members could take to make a decision on the direction of the WEU at the joint defense and foreign ministers meeting in October. Topics to be considered include: the relationship between NATO and the WEU, the relationship between the Council and the Assembly, expansion of the authority of the Council, lifting of remaining controls on West Germany, the future functions of the Agency for the Control of Armaments and the Standing Armaments Committee, and the latter's relationship with the IEPG. The committee of experts also was instructed to study the relationship between the WEU and West European states—such as Spain, Denmark, and Norway—that are members of NATO but not of the WEU. []

Attitudes of Other WEU Members

Although all members support the concept of greater defense cooperation, West Germany, the United Kingdom, Italy, Belgium, Luxembourg, and the Netherlands differ in their degree of enthusiasm for using the WEU as a major vehicle. Bonn has been the most supportive, chiefly because of the importance it places on its relationship with Paris and on coordination of West European views on security issues in general. Belgium and Luxembourg favor schemes that foster West European cooperation, particularly when these proposals are sponsored by France, which has traditionally been hostile to coordination of defense

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policy in the EC. Rome is cautiously interested, drawn by a desire to be part of an "inner group" but worried about French motives and about upsetting the United States. The British and the Dutch are the least enthusiastic, although London appears to see some benefit in using the WEU as a vehicle for informal European discussion on security issues. []

West Germany

Although West German officials have noted that it is still too early to foresee how the WEU will evolve, Bonn will play a key role in the process. West German Foreign Minister Genscher took over chairmanship of the WEU Council in June, and, according to West German officials, Bonn has prepared a set of proposals to be reviewed by the WEU members before the October ministerial. We have no information on the specific contents of the West German package. []

Like Mitterrand, Chancellor Kohl has called for improved West European cooperation, especially on defense, and has focused particularly on the need for stronger Franco-German ties. Kohl has stated publicly and privately that some initiative to "revitalize Europe" is necessary. Although he maintains that any West European nation could participate in such an endeavor, he believes the "motor" might be a small number of nations. []

There are several reasons that the Kohl government is attracted to the WEU as a mechanism for bolstering West European defense cooperation. According to our Embassy in Bonn, the Kohl government believes the WEU initiative plays well publicly in West Germany. Participation in strictly West European discussions on security issues is a way to show solidarity between Bonn and other West European capitals at a time when the Social Democratic Party and some elements of the West German public have questioned the Kohl government's independence from the United States. []

In addition, Bonn wants expanded coproduction schemes with its West European Allies to offset what it perceives as a disappointing record of US procurement of West German-produced weapons and equipment. According to our Embassy in Bonn, the West German Government views France as the key partner in cooperative weapons programs, in part as a means

of improving access to French arms markets.¹ While supportive of WEU efforts to enhance coordination on armaments programs, Bonn may argue that the role of the WEU's Standing Armaments Committee should be limited to informal policy coordination with the IEPG, which would remain the major forum for addressing armaments cooperation on a technical level. []

Bonn also sees increased cooperation with Paris as a means of drawing French military forces closer to NATO, improving coordination of conventional military strategy, and fostering a dialogue on French nuclear plans and policies. Kohl and West German officials continue to stress publicly that France should share its nuclear strategy with its Allies. Bonn also would like to improve dialogue on, and West German influence over, French planning for out-of-area activities. []

In our view, the Kohl government's interest in the WEU initiative also is probably related to Bonn's pursuit of improved intra-German relations. Kohl, no doubt, sees expanded West European cooperation as a way of containing Western apprehension—particularly on the part of the French, and even among some conservatives in West Germany—over what might be going on in intra-German relations. []

Indeed, as a result of recent developments, the Kohl government will probably see an even greater need to press forward on European integration in order to reassure its Western partners. Italian Foreign Minister Andreotti's remarks on "Pan-Germanism" in mid-September demonstrated that Western suspicions about intra-German relations remain strong, and the Kohl government has come under some domestic criticism for allowing its rhetoric on the "German question" to fuel such sentiments. []

Despite its interest in strengthening the WEU, we expect Bonn to move cautiously on specific proposals.

¹ The West Germans recently agreed with France to develop an antitank helicopter, and they have joined France, the United Kingdom, Spain, and Italy to develop common requirements for a West European combat aircraft. []

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West German spokesmen stress that NATO must remain the principal forum for the coordination of West European defense policy. West German Foreign Office and defense officials believe that the WEU can be a useful vehicle for discussing security issues informally along the lines of EC political cooperation, and that the WEU's Secretariat might be strengthened to help coordinate such discussions. But they have voiced skepticism over what can be achieved, given the differing interests of members. They also emphasize that such efforts should not undercut cooperation among the 10 EC members on foreign policy issues, by appearing to exclude its non-WEU members. According to the Embassy, Foreign Minister Genscher, while focusing on strengthening the WEU, remains interested in political cooperation in the EC forum and may renew efforts to improve EC consultations. []

Belgium and Luxembourg

Traditionally strong supporters of European cooperation, Belgium and Luxembourg have welcomed the French initiative. According to the US Embassy in Brussels, the major appeal of the WEU for the Belgians is that participation is limited to the original members of the EC plus the United Kingdom, an arrangement that promises to strengthen their voice on West European defense policy issues. Belgian officials occasionally complain that their country is excluded from the deliberations of the larger Allies, such as the trilateral meetings on MBFR. They also have expressed concern about Belgium's continued adverse trade balance with the United States in defense equipment. []

Brussels has recommended more frequent meetings of the WEU Council and regular meetings of those NATO permanent representatives who represent the WEU members. According to Belgian officials, WEU Council meetings—presumably at the ministerial level—should take place just before NATO ministerials to “symbolize” the relationship between the Alliance and Western Europe. Belgium also supports strengthening the role of the Standing Armaments Committee in the area of industrial cooperation, but only if its work is closely linked to that of the IEPG. These officials also note that Belgium favors the idea of using the Agency for Control of Armaments as a forum to coordinate West European positions on

sensitive arms issues allegedly because this could “avoid dissension” when these topics are discussed later within the Alliance. Luxembourg officials probably will support Brussels in its efforts but say privately they are doubtful much will come of the WEU initiative. []

Italy

Rome was initially the most enthusiastic supporter of the French initiative. However, it has become increasingly concerned over the past few months that Paris may use the WEU to pursue its own political and economic aims. Italian Foreign Office officials now note that they support strengthening the WEU “in principle” but are concerned about upsetting Italy's relationship with the United States, creating divisions within the European Community, impeding further EC political cooperation, and further exacerbating West European-Soviet tensions. []

Italy is attracted to the concept of a revitalized WEU primarily because it fears exclusion from deliberations among its larger West European partners. For example, Italian officials have complained that Rome has been left out of routine talks among the United Kingdom, West Germany, and the United States on MBFR. They thus believe that an enhanced WEU, in addition to helping foster the perception that Rome is on an equal footing with the more important Allies, could somewhat increase Italian influence on West European and NATO security concerns. Italy probably also believes that greater West European cooperation on defense production and procurement, especially regarding new conventional weapons, could help offset the effects of its unfavorable trade balance with the United States in the defense sector. []

Recent evidence suggests, however, that Rome has become wary of moving too far too fast. Foreign Office officials note that while Prime Minister Craxi and Defense Minister Spadolini see a revitalized WEU as a way to enhance their political stature, they worry that Franco-German influence may thwart Italian aims. In addition, according to the US Embassy in Rome, Foreign Minister Andreotti is very

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skeptical of French intentions. The US Embassy also reports that the Italian officials handling the WEU initiative generally are experts on EC political cooperation who prefer the EC as a forum for expanded security consultations. Many also believe that French and West German interest in the WEU will decline. Moreover, the WEU's Agency for the Control of Armaments is staffed largely by veteran Italian bureaucrats who would be ousted in any overhaul of its structure, and Italy has indicated it would oppose their replacement. []

United Kingdom

British officials initially expressed skepticism about prospects for revitalizing the WEU and suspicions concerning French motives. The Foreign Office has become more receptive as it has become apparent that any changes probably will be limited, but, according to defense officials, Defense Secretary Heseltine remains disenchanted with the effort and wants to concentrate on strengthening the Eurogroup. According to the Embassy, Prime Minister Thatcher also believes the effort will not come to much and has let the Foreign Office handle the issue. []

The British are aware that the Mitterrand and Kohl governments could benefit politically from a strengthened WEU, but we believe they see few advantages for London—except possibly in the area of expanded armaments cooperation. According to the Embassy, Prime Minister Thatcher does not want to detract from the IEPG as the most important West European forum for armaments cooperation or from the Eurogroup. Nor does London want to do anything that could provoke needless misunderstandings with Washington and jeopardize extensive Anglo-American ties. Moreover, the Embassy reports the Prime Minister has felt for some time that the WEU represents an unnecessary financial burden and has been considering reducing the number of posts filled by British officials to cut costs. []

Nonetheless, Foreign Office officials claim that public expectations that the Rome ministerial will achieve concrete results have forced the United Kingdom to take the WEU initiative seriously. At the June WEU Council meeting, Howe indicated British willingness at least to consider ways to use the WEU informally for consultations on security issues, provided they do

not undercut NATO deliberations. In addition, Foreign Office officials have noted that London is willing to improve the functioning of the WEU Council—preferably if this cuts costs. There is no evidence to suggest that London has abandoned its opposition to involving the Standing Armaments Committee in defense cooperation or to expanding the role of the Agency for the Control of Armaments. []

The Netherlands

The Dutch are the most skeptical among the seven countries about the WEU. According to Dutch officials, NATO remains the best forum to discuss arms cooperation and general security issues, and any discussion outside of NATO should take place in the EC forum. Even on issues with a solely West European focus, the Netherlands sees the WEU as limited because it excludes other West European members of NATO. Moreover, Dutch officials believe the United States may react negatively to attempts to revitalize the WEU; The Hague is particularly concerned about upsetting the United States after the Netherlands has delayed INF deployments. Also, Dutch Foreign Minister van den Broek reportedly told Genscher earlier this year that French efforts would give the USSR the impression the Alliance was divided. Van den Broek did not attend the 12 June WEU ministerial, ostensibly because of the debate in the Dutch Parliament on INF. []

On armaments production, the Dutch would like the West European Allies to make more effective use of the IEPG to arrange and carry out joint production programs. According to the US Embassy in The Hague, the Dutch have great expectations for the IEPG, which they will chair until 1986, and have proposed twice-yearly IEPG ministerials. The Netherlands opposes using the Standing Armaments Committee as a major mechanism to promote West European coproduction ventures, probably out of concern that it would dilute the effectiveness of the IEPG. The Dutch also are wary of using the Agency for the Control of Armaments to discuss security issues, but they probably would support informal discussions within the WEU []

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Prospects

We believe that the WEU ministers, at their October meeting, probably will agree on relatively noncontroversial measures that will at least give the appearance of revitalizing the organization. They probably will decide to hold more frequent meetings of the WEU Council at both the ministerial and ambassadorial levels, to broaden the general scope of issues that should be addressed by the WEU Assembly, and to develop a closer relationship between the work of the Council and Assembly. It also is likely that the Council will be strengthened with an informal support staff of officials experienced in security issues and authorized to address all aspects of defense policy. The Secretariat probably will be tasked with broader coordination duties to handle the consultations. []

We doubt, however, that the WEU members will agree in October to reconstitute the Agency for Control of Armaments as a discussion body for arms control issues—on the model of NATO's Special Consultative Group—or as a mechanism to verify arms limitation agreements. Moreover, Dutch, Italian, and British reluctance probably will prevent agreement on establishing the Standing Armaments Committee as a primary forum for coordinating armaments production or on linking it formally to the IEPG. []

Whatever the specific results of the October meeting, the members of the WEU will continue to be pushed toward greater defense cooperation by powerful forces: concern over East-West tensions and the lack of progress on arms control, dissatisfaction with US performance on the "two-way street" in defense procurement, the need to show greater independence from the United States by asserting West European concerns within NATO, and the desire to offset potential cutbacks in US commitment to NATO. []

Even small steps toward greater defense cooperation—such as more frequent WEU Council meetings or regular, informal consultations among the member countries under WEU auspices—could provide the political impetus to greater policy coordination and armaments cooperation. Such deliberations, particularly on arms control issues and Alliance strategy, could give the more important West European Allies much more weight collectively in Alliance discussions. []

Overall, we believe the seriousness with which the major Allies are approaching the October ministerial discussions reflects an underlying sense of frustration over their inability to influence Alliance policy directions and over what they perceive as basic differences in West European and American perspectives on key issues affecting both Western Europe and the Alliance. Whatever the outcome of the WEU deliberations, we expect the Allies to push for greater consultations with the United States—before policy is set in concrete—on a wide range of mutual security concerns. Indeed, in bilateral discussions, the major West European Allies already have specifically pushed for enhanced Alliance dialogue on multilateral arms control issues and have recently stressed that meetings of NATO's Special Consultative Group should address policy for future talks on nuclear arms reductions. Similarly, the Allies' approach to defense-modernization initiatives, such as NATO's "emerging technologies" program, will be conditioned by the potential they offer for bolstering the West European defense industrial base and rationalizing the historical imbalance in US–West European defense trade. []

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